

Good Neighbor Next Door

Provides law enforcement officers, teachers, firefighters, and emergency medical technicians with the opportunity to purchase homes located in revitalization areas at a significant discount.

Nature of Program: The Department wants to make American communities stronger and build a safer nation. The Good Neighbor Next Door initiative promotes these goals by encouraging persons whose daily professional responsibilities represent a nexus to the needs of the community to purchase and live in homes in these communities. This initiative makes homes in revitalization areas available to law enforcement officers, teachers, firefighters, and emergency medical technicians. Each year, HUD sells a limited number of properties from its inventory at a 50 percent discount from the list price to eligible persons in the above professions. To make these homes even more affordable, eligible participants may apply for an FHA-insured mortgage with a downpayment of only \$100. Because homes sold through this initiative are located in revitalization areas, there may be additional assistance from state or local government sources. If the home needs repairs, the purchaser may also use FHA's Section 203(k) mortgage program. The Section 203(k) program provides financing for both the purchase of the home and cost of needed repairs.

The mortgagor must execute a note and second mortgage generally in the amount of the 50 percent discount, which phases out to zero over 36 months, unless the mortgagor defaults. In such a case, the mortgage may become due and payable.

Applicant Eligibility: Purchasers must be employed as a full-time law enforcement officer, teacher, firefighter, or emergency medical technician, and must certify that they intend to continue such employment for at least one year following the date of closing. The eligible purchaser does not need to be a first-time homebuyer. However, the purchaser (or spouse) cannot have owned another home for one year prior to the time a bid for purchase is submitted, and the purchaser must agree to live in the HUD home as the principal residence for 3 years after move-in.

Legal Authority: Section 204(g) of the National Housing Act (12 U.S.C. 1710(g)). Regulations are at 24 CFR part 291, subpart F.

Administering Office: Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Administering office and HUD Homeownership Centers (Atlanta, Philadelphia, Denver, Santa Ana).

On the Web:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/reo/goodn/gnndabot

Current Status: Active.